

PRODUCER SETTLEMENTS

EXAMPLE I

Assumptions:	Cost of Supplies	\$38,400.00
	Total Cwt. of Pigs In	432
	Total Cwt. of Hogs Marketed	2232
	Number of Hogs Marketed	930
Total Cwt. Gain	1800	
	Total Cwt. of Hogs Marketed - Total Cwt. of Pigs In	2232 - 432
Production Cost of Gain per Cwt.	21.33	
	Cost of Supplies / Total Cwt. Gain	\$38,400.00 / 1800
Production Cost of Gain Payment	\$ 5.67	
	(Production Cost of Gain per Cwt. x -.25) + \$11.00	
	(21.33 x -.25) + \$11.00	
Gain Per Head Payment	\$ 5.81	
	(Total Cwt. Gain / Number of Hogs Marketed) x \$3.00	
	(1800/930) x \$3.00	
Producer Payment		\$10,676.40
	(Production Cost of Gain Payment + Gain Per Head Payment) x Number of Hogs Marketed	
	(\$5.67 + \$5.81) x 930	

PRODUCER UNDERSTANDS AND AGREES THAT NEITHER COOPERATIVE, ITS AGENTS, OR EMPLOYEES, NOR FARMLAND, ITS AGENTS AND EMPLOYEES, WARRANT ANY SPECIFIC LEVEL OF PERFORMANCE. ANY PERFORMANCE LEVELS INDICATED IN THIS EXAMPLE ARE FOR PURPOSES OF ILLUSTRATION ONLY.

EXAMPLE II

Production Cost of Gain per Cwt.	Production Cost Of Gain Payment	Gain Per Head Payment *	Total Payment Per Head
15	\$7.25	\$6.00	\$13.25
16	\$7.00	\$6.00	\$13.00
17	\$6.75	\$6.00	\$12.75
18	\$6.50	\$6.00	\$12.50
19	\$6.25	\$6.00	\$12.25
20	\$6.00	\$6.00	\$12.00
21	\$5.75	\$6.00	\$11.75
22	\$5.50	\$6.00	\$11.50
23	\$5.25	\$6.00	\$11.25
24	\$5.00	\$6.00	\$11.00
25	\$4.75	\$6.00	\$10.75

* (Assume 200 lbs. of gain)

The calculations in Section 16 shall apply. This table is set forth for purposes of illustration only.